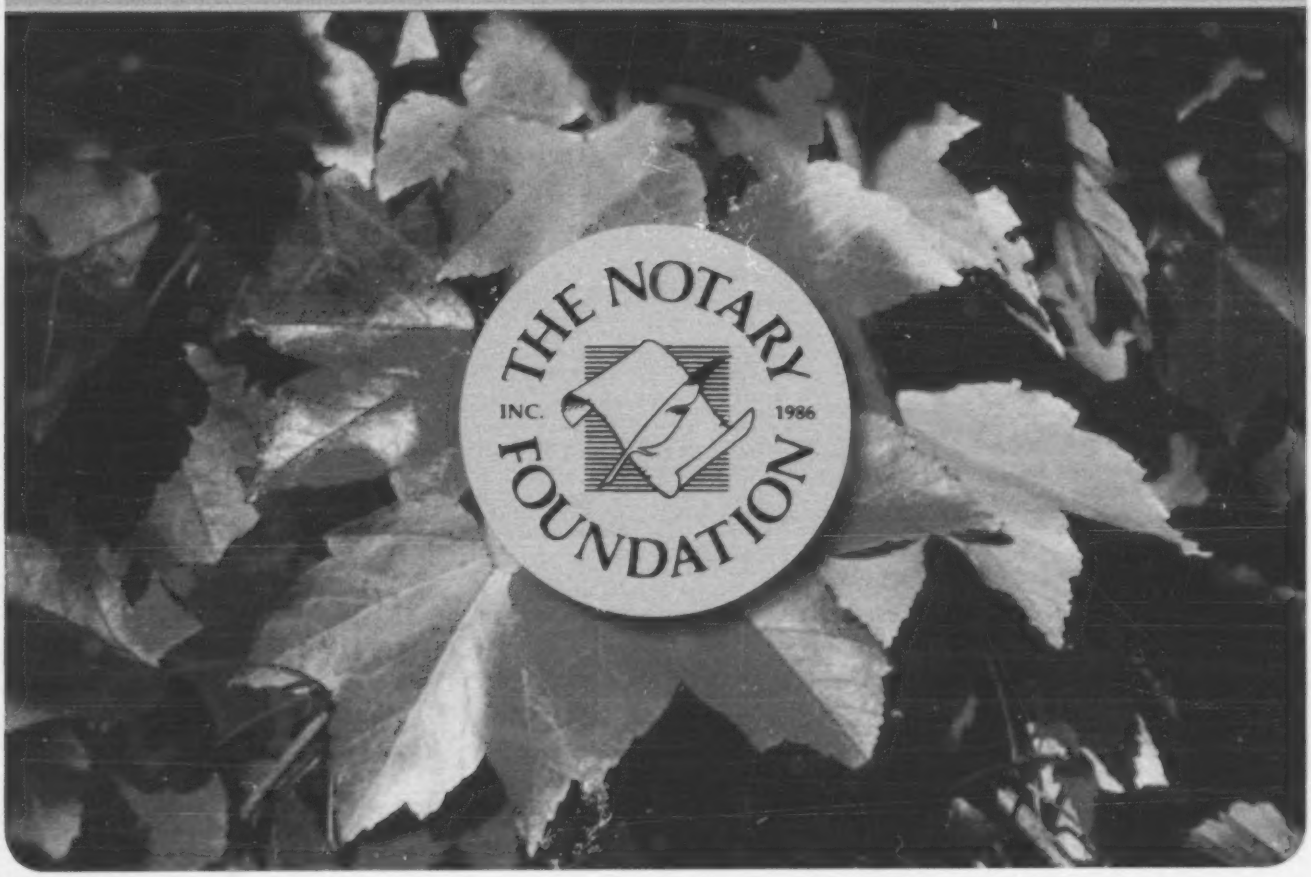
Annual Report
2003 – 2005

The Notary Foundation *of* British Columbia



THE NOTARY FOUNDATION

Mission

The Notary Foundation establishes and maintains a fund to be used for the purposes of legal education, legal research, legal aid, education, and continuing education for BC Notaries and applicants for enrollment as Notaries.

REPORT OF THE EXECUTIVE OFFICER
WAYNE BRAID

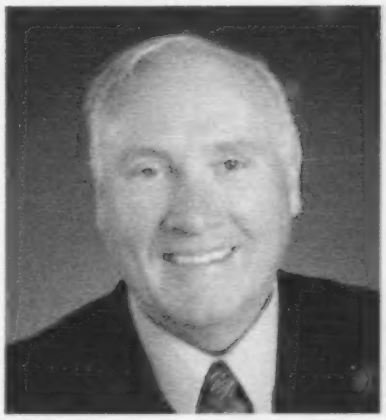
The Notary Foundation welcomes you to our Annual Report, which actually covers the two-year period from 2003 to 2005. The Foundation produces audited financial statements annually. Due to the cost of producing a report every year, however, we prefer to produce a report every two years.

In my previous report, I quoted Charles Dickens from *A Tale of Two Cities*, "It was the best of times; it was the worst of times." Well, this year I can say times have not changed. We are still faced with record volumes of real estate sales—sales that are keeping our members busy and their trust accounts full!

The low interest rates, however, provide us with the major challenge of maintaining our revenues so that we can continue supporting our legal providers as we have in the past.

Over the past couple of years, our Governors have endorsed the idea that we should be offering educational support to colleges and universities that train the people who will be assisting Notaries and lawyers in their offices. That has been a major undertaking for us. We are very proud to have provided endowments for scholarships and bursaries to a number of our community colleges and university colleges through British Columbia.

It is our intention to continue that support over the next few years by identifying the schools and the programs that will, in our opinion, supply well-trained legal support staff to our members. These educated individuals will be of great benefit to the legal consumers in our province.



Again this year I must thank the financial partners who have entered into agreements with us so that we may continue to fulfill our mandate of funding legal education. TD Canada Trust, HSBC, and BMO Bank of Montréal deserve our thanks for improving their agreements and our ultimate rate of return.

My thanks to our Chair Ms. Leta Best, who provides tremendous leadership and is always willing to represent and speak on behalf of the Notary Foundation of BC and the good work that we do. As well, I would like to recognize the Governors of our Foundation for their time, the exemplary efforts they make on behalf of the Foundation each year, and the wise counsel they convey at each meeting.

CONTENTS

Mission	2
Report of the Executive Officer, Wayne Braid	3
History of The Notary Foundation of BC	5
The Board of Governors of The Notary Foundation	6
The Notary Foundation Report from Leta Best	7
Notary Foundation Grants Dispersed June 1, 2003, to June 30, 2004	9
Notary Foundation Grants Dispersed July 1, 2004, to June 30, 2005	9
Funding by The Notary Foundation 2003 to 2005	10
Winners of the BC Notary Awards 2004 and 2005	17
Financials	18–29

HISTORY OF THE NOTARY FOUNDATION OF BC

In 1985 the Provincial Legislature amended the *Notaries Act*, RSBC Chapter 334, to create the Notary Foundation. This non-profit organization receives interest earned on the general trust funds held by members of The Society of Notaries Public of British Columbia.

The Notary Foundation receives and distributes over $1 million each year. Most of the money is paid to the Legal Services Society, specifically to provide Legal Aid in the province. In addition, the Notary Foundation makes funds available to The Society of Notaries Public of BC to assist them in the education of members, applicants for membership, and the general public.

The Notary Foundation provides Grants to other British Columbia organizations in the following areas.

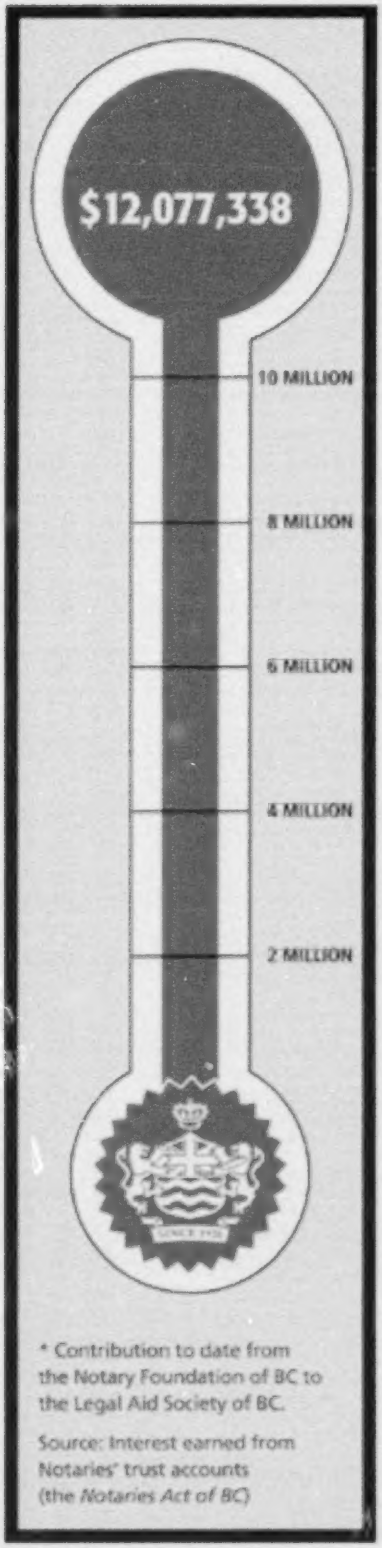
- Legal Education
- Legal Research
- Law Libraries

In addition to Grants, the Notary Foundation funds two scholarships and two bursaries each year for individuals attending university (currently limited to UBC), who are taking certain law-related courses.

The Notary Foundation of BC was closely modelled after the Law Foundation of British Columbia, which had been formed some 10 years previously. Both foundations collect interest from "general trust accounts":

- in the case of the Notary Foundation, from Notaries' trust accounts; and
- in the case of the Law Foundation, from lawyers' trust accounts.

The success of the foundations is based upon the cooperation of financial institutions that strive to ensure that a reasonable interest is paid on the funds held in Notaries' and lawyers' trust accounts. Substantial funds are created that allow the foundations to support the good work of a great many community organizations and to assist, in a major way, with the necessary funding for Legal Aid in our province.


$12,077,338
10 MILLION
8 MILLION
6 MILLION
4 MILLION
2 MILLION
* Contribution to date from the Notary Foundation of BC to the Legal Aid Society of BC.
Source: Interest earned from Notaries' trust accounts (the Notaries Act of BC)

As of June 2005

THE BOARD OF GOVERNORS OF THE NOTARY FOUNDATION

Leta C. Best: Chair
William G. Anderson
Susan Davis
Christopher W. Dupuis
Laurie Salvador
Ken Sherk
Larry Stevens Sr.
George J. Tanco
Robert Adamson: the Attorney General's Representative
Jennifer L. Harry: Director-at-Large
Wayne Strandlund: Director-at-Large

The Governors of the Foundation have the responsibility of guiding the Foundation in its mandate to disperse the funds generated by interest on Notaries' trust accounts for the following purposes.

1. Legal education
2. Legal research
3. Legal aid
4. Educational and continuing education for Notaries and applicants for enrollment as Notaries
5. Establishing, operating, and maintaining law libraries in BC
6. Contributions to the special fund established under the *Notaries Act of BC*

G. W. (Wayne) Braid, Executive Officer of the Foundation, is responsible for administration of the office, staff, and the diverse investment funds of the Foundation.

The Board of Governors meets quarterly to consider applications for funding from various organizations, to set policy, review the Foundation's financial status, and provide direction for the administration of the Foundation.

THE NOTARY FOUNDATION REPORT FROM LETA BEST, PRESIDENT

The Notary Foundation is currently in its 18th year of operation. During that time the Foundation has had the privilege of administering approximately $20,667,785 generated from funds held in trust by BC Notaries.

One noteworthy item is that our revenue has stayed positive. Despite lower interest rates, revenue is encouraging. Last year's income was $1,491,529. That amount included a one-time recapture of approximately $380,000. The realization of this additional income was the result of the due diligence of Wayne Braid and the Secretariat staff who implemented new accounting software and procedures. This system tracks our trust funds and ensures that we receive the maximum interest on these funds.

This year's income was $1,387,906. That is approximately 7 percent less than the previous year. When compared with other foundations across Canada, this rates very favourably.

We have done so well because of our newly negotiated agreements with our financial partners. I would like to publicly thank the Bank of Montreal, TD Canada Trust, Scotia Bank, and RBC for their continued support of the Notary Foundation and its programs through interest rates paid on our trust accounts. Without the support of the financial institutions, we would not have the funds available for the Legal Services Society of British Columbia, legal education, legal research, maintaining law libraries, and education for our Notaries.

LEGAL SERVICES SOCIETY OF BRITISH COLUMBIA

To date, we have contributed $12,077,338 to the Legal Services Society of British Columbia.

GRANTS

We approved and funded many Grant requests that met our criteria. Included this year were Grants to the following organizations.

- BC Civil Liberties Association
- BC Coalition of People with Disabilities
- BC Coalition to Eliminate Abuse of Seniors (BC CEAS)
- BC Courthouse/UBC Library: Digitalization for Public Access
- BC Dispute Resolution Practicum Society
- Greater Victoria Police Victim Services
- North Shore Community Resources: Help's at Hand
- People's Law School
- The Scow Institute
- Together Against Poverty (TAPS)
- University of Victoria Law School
- West Coast Domestic Workers Association
- YWCA: Crabtree Corner for Women at Risk

ENDOWMENTS, SCHOLARSHIPS, AND BURSARIES

We have earmarked $320,000 for Scholarships. The following were approved during the past year.

UVic: $60,000

The capital will be placed in the University of Victoria's pooled foundation trust account. This will be sufficient funds for two awards each year of $600. The agreement between the Foundation and UVic is being drafted.

Camosun College: $30,000
Total Endowment Fund: $50,375

1. **Scholarship**
   The award for $17,750 is matched 50 percent by the School of Business Camosun College. Each year, the Faculty will select one or more students, based on academic performance as well as demonstration of leadership skills that contribute positively and cooperatively to the work of fellow students and the program.
2. **Bursary**
   The Bursary for $12,250 is matched 100 percent by the Camosun College Foundation. This will annually support one or more full-time students with demonstrated financial need who are enrolled in the Legal Office Assistant Program, School of Business.

Capilano College: $30,000
Matched 100 percent by Capilano College
Total Endowment Fund: $60,000

1. **Scholarship**
   The Scholarship will be an academic award presented annually to a full-time student enrolled in the Capilano College Paralegal/ Legal Assistant Diploma Program.
2. **Bursary**
   The annual Bursary will be provided to a full-time student enrolled in the Paralegal/Legal Assistant Diploma Program. The Bursary would be based on the financial need of the student and would be provided to an individual enrolled as a second-year student.

We hope to conclude similar agreements with UBC and Kwantlen University College in the coming year.

NOTARY PREPARATORY COURSE

The Foundation also funds education for our Notaries. This year we have committed $229,100 to the Notary Preparatory Course Revision and Course Development Program, put together by our Society's Education Committee and a Task Force. This has been funded from our 35 percent reserve fund.

GRANTS AND INVESTMENT POLICIES

We have also been reviewing and updating our Grants and Investment Policy to keep pace with our changing times. These are the Foundation Committees.

Investment: Kenneth Sherk, Wayne Strandlund, Lawrence Stevens Sr., and Wayne Braid

Policy: William Anderson, Robert Adamson, Susan Davis, George Tanco, and Wayne Braid

Grants: Jennifer Harry, Christopher Dupuis, Laurie Salvador, and Wayne Braid

This year we said goodbye to Ernie Janzen, Brent Atkinson, and Eleanor Sleath, all longtime Foundation Governors. We welcomed Laurie Salvador and Susan Davis from the Board of Directors of The Society, as well the appointment of Wayne Strandlund to the Board by the Attorney General of BC.

I wish to extend my deep gratitude to Ernie, Brent, and Eleanor for all their years of work on behalf of the Foundation and I look forward to the future with our new Governors.

I wish to thank all the Foundation Governors who volunteered their time in support of this work—in particular our Grants Committee members.

Finally, a special mention of Wayne Braid who has been invaluable in securing new agreements with the banks and ensuring that our level of funding is optimized, in reviewing policies and procedures, and in working with the education facilities of our province to put these funds to use.

Respectfully submitted,
Leta Best
Notary Foundation Chair 2004–2005

NOTARY FOUNDATION GRANTS DISPERSED JUNE 1, 2003, TO JUNE 30, 2004

BC Law Institute	$25,000.00
British Columbia Courthouse Library Society	7,400.00
North Shore Community Resources	15,000.00
Prince George Housing Coalition	6,750.00
Representation Agreement Resource Centre	3,750.00
The People's Law School	40,000.00
University of Victoria, Faculty of Law	25,000.00
West Coast Environmental Law	2,500.00

NOTARY FOUNDATION GRANTS DISPERSED JULY 1, 2004, TO JUNE 30, 2005

BC Coalition of People with Disabilities	$7,500.00
BC Coalition to Eliminate Abuse of Seniors (BC CEAS)	7,500.00
BC Courthouse Library	10,000.00
BC Dispute Resolution Practicum Society	5,000.00
BC Liberties Association	6,405.00
Camosun College Foundation	30,000.00
Camosun College Foundation: (First-Year Student Award)	500.00
Capilano College Foundation	30,000.00
Langara College (Total Endowment $20,000)	2,107.50
Multiple Sclerosis Society of Canada	10,000.00
North Shore Community Resources	15,000.00
Program on Dispute Resolution	7,500.00
Scow Institute	7,500.00
The People's Law School	15,000 .00
Together Against Poverty (TAPS)	7,500.00
University of Victoria, Faculty of Law	25,000.00
West Coast Domestic Workers' Association	7,500.00
YWCA – Crabtree	7,500.00
YWCA of Vancouver – Mediation	7,500.00

FUNDING BY THE NOTARY FOUNDATION 2003 TO 2005

Awards, Scholarships, and Endowments

Wayne Braid, Executive Director of The Society of Notaries Public of BC, presents Tennille Campbell with the first award to recognize academic excellence and leadership abilities.

Camosun College Foundation — $500

(First-Year Student Award)

Camosun College Foundation — $30,000

BC Notaries and the Notary Foundation of BC donated a total of $30,500 to establish two endowed funds at Camosun College to benefit students in the Legal Office Assistant program. The donation was matched in part by Camosun College to create a $25,000 endowed bursary, a $25,875 endowed award, and a $500 award for the School of Business award ceremony held in November 2004. www.camosun.bc.ca/foundation/

Aderita Roets (left), Executive Director of the Capilano College Foundation/Development Office, meets with Margot Spence, Chair of the Institute of Paralegal Studies.

Capilano College Foundation — $30,000

The Institute of Paralegal Studies at Capilano College received a helping hand March 15, 2005, from the Notary Foundation of BC with a $30,000 donation to establish two endowment funds. The money established a bursary for students with financial needs and a scholarship for students with academic excellence. At least four students will benefit from these awards annually and in perpetuity. Capilano College is now matching donations made to endowment funds. This has doubled the benefit of the Notary Foundation's support for Capilano College students. www.capcollege.bc.ca/programs/legal_assistant/

Langara College student Gwyneth Yip (right) receives The Society of Notaries Public of BC Scholarship from C. Keri Martens, member of the Board of Governors of the Notary Foundation of BC.

Langara College — $2107

(Total Endowment $20,000)

The Society of Notaries Public of British Columbia Scholarship was established in 1990 to recognize achievement by students in the Langara College Real Estate Studies program. In 2001 the focus of the scholarship was changed to recognize Langara College students for outstanding performance in the study of Business Law. Since that time, five students have received the award for achieving the highest mark in Business Law or International Business Law. www.langara.bc.ca

University of Victoria, Faculty of Law — $100,000

($25,000 per year for four years)

The Notary Foundation of BC supports the University of Victoria Faculty of Law's Educational Endowment for Aboriginal Justice (EEAJ) in its goal to promote greater public and professional understanding of Aboriginal issues and their resolution. The Professorship in Aboriginal Justice and Governance is the first program of its kind in Canada; it ensures that the Faculty responds to the special place of Aboriginal persons in Canadian and BC history and contemporary society. In addition, the Notary Foundation recently established an award for Family Law and Children & the Law at the University of Victoria's Faculty of Law. www.law.uvic.ca/

Canada's leading Aboriginal legal scholar Professor John Borrows leads the first Professorship of Aboriginal Justice and Governance in Canada, at the Law faculty of the University of Victoria.

Public Legal Education Materials

BC Coalition of People with Disabilities — $15,000

The Coalition produced a special edition of their *Transition* magazine, celebrating the *Representation Agreement Act* after 15 years of community advocacy and highlighting the importance and use of the Agreements. The magazine profiled the Representation Agreement Resource Centre, the Nidus eRegistry, and the work of BC Notaries.

The BC Coalition of People with Disabilities also undertook a very successful project to train advocates on how to appeal the denial of provincial disability benefits: "Appeals Without Burnout: Plain Language Guides Project." With joint funding from the Notary Foundation, the Law Foundation, and the BC Association for Community Living, the project produced plain language guides and conducted workshops and online training sessions for community advocates. www.bccpd.bc.ca

From left: Robin Loxton, Jane Dyson, and Tom McGregor work together as Co-Directors of the Advocacy Access Program.

Christine Gordon holds the new publication.

Penny Bain is Executive Director of BC CEAS.

BC Coalition to Eliminate Abuse of Seniors — $7500

BC Coalition to Eliminate Abuse of Seniors (BC CEAS) used their Grant to print 500 copies of "Strategies for Notaries Working with Seniors." The booklet gives Notaries helpful information and tips for working with seniors in these four areas: attitudes toward seniors, seniors as victims of abuse, legal issues, and resources. www.bcceas.ca

Bev Cook (left), Controller, and Debra Valentin from the BC Courthouse Library accounting department work on a project.

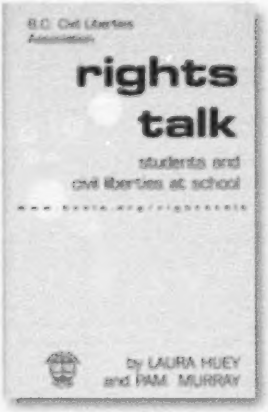
British Columbia Courthouse Library Society — $17,400

The BC Courthouse Library Society and UBC Law Library applied its Grant from the Notary Foundation toward a joint BCCLS/UBC project to digitize the BC Law Reports. This database will be searchable by the public and the legal community at no cost, via a link on the BCCLS Website. www.bccls.bc.ca

BC Law Institute Staff members confer. From left: Staff Lawyers Kevin Zakreski, Laura Watts, and Gregory Blue with Executive Director Arthur L. Close, QC.

BC Law Institute — $25,000

The Notary Foundation, along with the Law Foundation of BC, co-funded the BC Law Institute's Community Law Reform Project. The project focused on a series of shorter projects, resulting in 14 publications on a variety of topics, including eight final reports: "Unfair Contract Terms"; "Unregistered Leases and the Top Line Case"; "Recognition of Adult Guardianship Orders from Outside the Province"; "Appointing a Guardian and Standby Guardianship"; "Post-Accident Remedial Measures"; "Spoliation of Evidence"; "Builders Liens After the Shimco Case"; "Builders Liens"; and the "Pipeline Problem." Details may be found at the Institute's Website. www.bcli.org



BC Liberties Association — $6405

The booklet "Rights Talk" has become an invaluable primer for high school students throughout British Columbia who want to know about civil liberties and their own freedoms. Students are increasingly under pressure to conform and are subject to greater surveillance in the school environment. "Rights Talk" is an important resource that helps sensitize students to the values of privacy, autonomy, and due process and helps give them a better understanding of those values as they mature into voting citizens. www.bccla.org

North Shore Community Resources — $30,000

The Help's at Hand project provides individuals and organizations all across the province with free legal-information fact sheets. These include "Legally Speaking – Did You Know?" and columns in an easy-to-read and understand question-and-answer format. The information is kept up to date and available in print form and also on their Website. Through this project, the North Shore Community Resources organization is also able to provide a limited number of individual consultations on legal matters to North Shore residents. www.nscr.bc.ca

Staff members Hossein Ebrahimi and Catherine Janusz of North Shore Community Resources assist with the Help's at Hand project.

Representation Agreement Resource Centre — $10,500

The Grant from the Notary Foundation to the Representation Agreement Resource Centre (RARC) supported the production of public legal educational materials on "planning for future care." The materials include a worksheet to enable readers to begin the process of identifying what was already in place and what is needed for the future. The materials are available in print and on the RARC Website.
www.rarc.ca/textual/home.htm

RARC Executive Director Joanne Taylor (centre) visits with Program Director Susanne Gray and President Patricia Fulton (in the background), in RARC's cozy office at the 411 Seniors Centre.

Scow Institute — $7500

The Scow Institute produces fact-based, non-partisan public education materials to inform Canadians about issues that affect Aboriginal people. The Institute, founded in 2001 by retired Judge Alfred J. Scow, is a registered Society of Aboriginal and non-Aboriginal British Columbians. Judge Scow was the first Aboriginal person called to the Bar and to the Bench in British Columbia. This year the Notary Foundation assisted the Institute in its production of brochures and bookmarks to promote the Institute and its Website. www.scowinstitute.ca

Mr. Scow was the first Aboriginal graduate of the UBC Faculty of Law (1961) and the first Aboriginal person in Canada to be appointed as a judge. He served for 23 years.

People's Law School staff Andrew Nip and Kathryn McCart review one of the organization's free booklets on the law.

The People's Law School $55,000

Thanks to funding from the Notary Foundation, the People's Law School has published and distributed more than 150,000 free plain-language booklets to schools, seniors groups, community organizations, and public libraries throughout BC. The booklets, printed in English and several immigrant languages, deal with popular legal topics such as writing a Will, a Power of Attorney, and being an executor. The People's Law School is a registered charity whose purpose is to teach British Columbians about their rights and responsibilities under the law.

www.publiclegaled.bc.ca

Study

Law student Hayley Laker Maschek analyzes "creativity" statistics.

Program on Dispute Resolution $7500

This Notary Foundation Grant funded a study by UBC law professor Sharon Sutherland and student Hayley Laker Maschek on the "creativity" of 1400 Small Claims Court-mediated agreements, demonstrated by variations from remedies potentially available in court. Results suggest that creativity depends on the mediator's prior experience with legal drafting. Generally Notary and lawyer mediators facilitate more creative agreements than do mediators with less experience in legal drafting. For a full analysis of the results, please visit the Website.

www.law.ubc.ca/drcura/research/small_pub.html

BC Dispute Resolution Practicum Society $5000

Legal and Advocacy Assistance

Multiple Sclerosis Society of Canada — $10,000

The goal of the Multiple Sclerosis Society's Volunteer Legal Advocacy Program (VLAP) is to make legal information and advice available by telephone, email, and in person to people living with multiple sclerosis in the Lower Mainland, Victoria, Nanaimo, and Kamloops. They are often faced with a variety of legal challenges such as human rights, employment equity, insurance, income security, estate planning, and family law issues. With the financial assistance provided by the Notary Foundation, VLAP has provided legal and advocacy assistance to more than 800 individuals affected by MS. www.mssociety.ca

Heather Maclean (left), VLAP Coordinator; Ron Jones, VLAP Volunteer; and Adrianne Boothroyd, VLAP Coordinator, enjoy working as a team in the Multiple Sclerosis Society office.

Community Legal Education Workshops and Training Sessions

Together Against Poverty — $7500

(TAPS)

Together Against Poverty Society has been serving the community of Victoria and the surrounding area with a free legal advocacy drop-in service for the past 15 years. Legal advocacy for income assistance issues is in such high demand, TAPS has an ongoing waiting list of up to 150 people. The Notary Foundation is funding TAPS to provide community legal education workshops and training sessions. This project will inform people of their rights and responsibilities and reduce the wait list.
(No Website at present.)

Sue Hendricks, Legal Education Project coordinator, is busy at work.

YWCA of Vancouver — $7500

YWCA Crabtree Corner is a family resource centre for women who are located in Vancouver's Downtown Eastside. Many of their clients have identified legal issues related to their children as their top priority. A Public Legal Educator at Crabtree, funded by the Notary Foundation, will conduct four 2-hour workshops each year for the women to help them learn about their legal rights, empower them to access their legal rights, and think critically about the law. www. ywcavan.org/donate

The YWCA Crabtree Corner is a family resource centre.

Communication and Life Skills Program

West Coast Domestic Workers' Program coordinator Jane Kalmakoff is surrounded by four students.

West Coast Domestic Workers' Association — $7500

The West Coast Domestic Workers' Association, with assistance from the Notary Foundation, offers a Communication and Life Skills Program for Live-In Caregivers. The 12-week program offers English language instruction and life skills training in the areas of human and employment rights, self-advocacy, and immigration.

www.vcn.bc.ca/wcdwa

Legal Education, Tools, and Support

Photo credit: Gurcharan Dhillon

West Coast Environmental Law helps Punjabi-speaking farmworkers assert their legal rights around pesticide exposure.

West Coast Environmental Law — $2500

West Coast Environmental Law has been BC's legal champion for the environment since 1974. They provide legal education, tools, and support so that ordinary citizens can defend their communities and our beautiful province. With support from the Notary Foundation, West Coast is working with Punjabi-speaking farmworkers—who are often exposed to toxins in pesticides—to overcome the barriers they face in asserting their legal rights. www.wcel.org

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WINNERS OF THE BC NOTARY AWARDS 2004 AND 2005

Education

The BC Notary Public stands proudly among all legal professionals, a combination of integrity, experience in business, and specialized legal education.

BC Notary career training involves an intensive, multi-phased program that combines a home-study course administered by The Society of Notaries Public—in cooperation with the University of British Columbia Faculty of Commerce and Business Administration—with a series of seminars directed and supervised by The Society. The 16-month home-study course focuses on the academic and practical aspects of notarial practice and procedures.

The training is preparation for statutory examinations set by the Board of Examiners appointed by the Attorney General of British Columbia.

A further series of post-examination seminars and the Oath of Office before a Judge of the Supreme Court of British Columbia completes the requirements for membership in The Society of Notaries Public of British Columbia.

Several awards are offered annually by the Notary Foundation to students who excel in specific areas of the statutory examinations of the BC Notary Preparatory Course.

- The **Dr. Bernard Hoeter Award** is awarded to the student who achieves the highest overall marks on the BC Notary examinations.
- The **Stanley J. Nicol Award** is awarded to the student who attains the highest marks on the Notarial Procedures exam of the statutory examinations.
- The **UBC Award (Real Estate Division)** is awarded to the student with the highest marks on the Conveyancing examination.
- The **BDO Dunwoody Award** is awarded to the student who has had the most consistent marks during the UBC Course assignments and on the statutory examinations.

2004 Awards	UBC Award (Real Estate Division):	**Debra Van Beers**
	Stanley J. Nicol Award:	**Debra Van Beers**
	BDO Dunwoody Award:	**Cherry Inglis**
	Dr. Bernard W. Hoeter Award:	**Filip de Sagher**
2005 Awards	UBC Award (Real Estate Division):	**Christine Duncan**
	Stanley J. Nicol Award:	**Norm Redden**
	BDO Dunwoody Award:	**Sylvia Delbruck**
	Dr. Bernard W. Hoeter Award:	**Norm Redden**

Notary Foundation of British Columbia
Financial Statements
For the year ended June 30, 2005

Notary Foundation of British Columbia
Financial Statements
For the year ended June 30, 2005

Contents

Auditors' Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Summary of Significant Accounting Policies	5 - 6
Notes to Financial Statements	7 - 10
Schedule of Education and Administrative Fund Expenses	11

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Auditors' Report

To the Members of the
Notary Foundation of British Columbia

We have audited the Statement of Financial Position of the Notary Foundation of British Columbia as at June 30, 2005 and the Statements of Operations and Changes in Net Assets for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Foundation derives revenue from interest earned on members' trust funds held by various banks and credit unions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to interest earned on members' trust accounts, excess of revenues over expenses, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the interest earned on members' trust accounts referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Vancouver, British Columbia
August 5, 2005

BDO Dunwoody LLP is a Limited Liability Partnership registered in Ontario

Notary Foundation of British Columbia
Statement of Financial Position

June 30	General Fund	Education and Administrative Fund	Grants Fund	2005	2004
Current Assets					
Cash (Note 2)	$ 290,885	$ -	$ -	$ 290,885	$ 161,449
Accounts receivable	180,001	-	-	180,001	107,497
Prepaid expenses	-	27,119	-	27,119	27,330
	470,886	27,119	-	498,005	296,276
Investments (Note 3)	639,957	-	-	639,957	992,678
Due from the Society of Notaries Public of British Columbia	-	-	-	-	18,454
	$ 1,110,843	$ 27,119	$ -	$ 1,137,962	$ 1,307,408
Current Liabilities					
Accounts payable and accrued liabilities (Note 4)	$ 306,828	$ 28,163	$ -	$ 334,991	$ 106,263
Due to (from) Grants Fund	804,015	(425,902)	(378,113)	-	-
	1,110,843	(397,739)	(378,113)	334,991	106,263
Due to the Society of Notaries Public of British Columbia (Note 6)	-	27,267	-	27,267	-
Net assets	-	397,591	378,113	775,704	1,201,145
	$ 1,110,843	$ 27,119	$ -	$ 1,137,962	$ 1,307,408

Approved by The Board of Governors:

_____ Governor

_____ Governor

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements.

Notary Foundation of British Columbia
Statement of Operations and Changes in Net Assets

For the year ended June 30	General Fund	Education and Administrative Fund	Grants Fund	2005	2004
Revenues					
Interest earned on members' trust accounts	$ 1,333,576	$ -	$ -	$ 1,333,576	$ 1,438,297
Investment income	35,777	-	18,553	54,330	53,232
	1,369,353	-	18,553	1,387,906	1,491,529
Expenses (Note 5)					
Education and Administrative Fund - Schedule	-	848,486	-	848,486	852,619
Grants Fund	-	-	201,513	201,513	125,400
Legal Services Society of British Columbia	743,348	-	-	743,348	800,341
Society of Notaries Public of British Columbia - Special Fund	20,000	-	-	20,000	20,000
	763,348	848,486	201,513	1,813,347	1,798,360
Excess of revenue over expenses (expenses over revenue)	606,005	(848,486)	(182,960)	(425,441)	(306,831)
Net assets, beginning of the year	-	760,310	440,835	1,201,145	1,507,976
	606,005	(88,176)	257,875	775,704	1,201,145
Transfer (to) from Education and Administrative Fund	(485,767)	485,767	-	-	-
Transfer (to) from Grants Fund	(120,238)	-	120,238	-	-
Net assets, end of year	$ -	$ 397,591	$ 378,113	$ 775,704	$ 1,201,145

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements.

Notary Foundation of British Columbia
Summary of Significant Accounting Policies

June 30, 2005

Financial Instruments

The Notary Foundation of British Columbia's ("the Foundation") financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Due to the current nature of these financial instruments, their carrying value approximates their fair market value.

Investments

Investments consist of fixed income and marketable securities and are stated at cost. Where the market value of investments has declined below carrying value for a period which in management's opinion is other than temporary, those investments have been written down to market value.

It is the Foundation's mandate to invest with a view to protect capital risk and well diversified assets which support expenditures made by the Foundation; these assets include Canadian securities such as government and corporate bonds, commercial paper, treasury bills, and cash or cash equivalents, and Canadian and foreign equities.

Recognition of Revenue

The interest earned on notaries' general trust accounts is calculated and remitted to the Foundation based upon agreements made with individual financial institutions. The trust accounts are not the property of nor are they administered by the Foundation. The interest earned on notaries' general trust accounts held in financial institutions is recognized by the Foundation on an accrual basis.

The Notary Foundation assumes that all notaries who hold funds in trust for or on account of clients comply strictly with Section 54 of the Notaries Act. Compliance is confirmed by regular annual audit examinations of the notaries' trust accounts.

Investment income and recovery of expenses through Foundation activities is recognized also, on the accrual basis of accounting.

Recognition of Expenses

Grants are recorded in the Foundation's accounts in the year of authorization. Liabilities owing to Legal Services Society and Society of Notaries Public of British Columbia (Note 5) have been accrued in the accompanying financial statements. These grants are recorded in the Foundation's accounts in the year of authorization.

Notary Foundation of British Columbia
Summary of Significant Accounting Policies

June 30, 2005

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Organization and Income Tax Status

The Notary Foundation of British Columbia ("the Foundation") was established in 1986 under Section 50 of the Notaries Act. The Foundation is a not-for-profit corporation which receives funding from interest earned on the pooled Trust Funds of the notaries.

The purpose of the Foundation is to establish and maintain funds to be used for the purpose of:

- legal education, legal research and legal aid
- education and continuing education for notaries and applicants for enrolment as notaries
- establishing, operating and maintaining law libraries in the Province of British Columbia, and
- contributing to the Special Fund established under Section 20 of the Notaries Act but solely for the purpose of increasing the principal amount of this Fund to $500,000, as the limit has been reached, any excess amount is transferred to the Contingency Fund of the Society.

These financial statements have been prepared on the restricted fund method of accounting for not-for-profit entities. The Foundation, as a result of its not-for-profit status, is not subject to income taxes.

2. Cash

The Foundation's cash is held in Canadian chartered banks and a national investment management company. The accounts earn interest at nominal rates.

3. Investments

Investments are comprised of:

	Cost	June 30, 2005 Market
Bonds and debentures	$ 240,032	$ 248,009
Equities	291,080	316,931
Short-term bonds and debentures	108,845	108,845
	$ 639,957	$ 673,785

	Cost	June 30, 2004 Market
Bonds and debentures	$ 464,212	$ 458,648
Equities	334,396	368,608
Short-term bonds and debentures	194,070	199,543
	$ 992,678	$ 1,026,799

4. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities pertain to the allocation of revenue less expenditures and are comprised of the following:

	2005	2004
Legal Services Society		
Balance, beginning of period	$ 89,701	$ 98,142
Earned revenue from General Fund	743,348	800,341
Payments to Legal Services Society	(526,221)	(808,782)
	306,828	89,701
Education and administrative payables	28,163	16,562
Balance, end of the year	$ 334,991	$ 106,263

5. Expenses

Funds received by the Foundation are to be disbursed as follows:

a) 50% to be paid to the Legal Services Society of British Columbia.

b) 5% to be paid to the Special Fund which is administered by the Society of Notaries Public of British Columbia (Note 1). The minimum amount that can be paid to the Special Fund is $20,000 or 5% as determined by requirements within the Notaries Act. Any excess amounts are to be allocated to the Legal Services Society (see previous paragraph).

c) 10% to be used for legal education, legal research and the establishing, operating and maintaining of law libraries in the Province of British Columbia (Grants Fund and Note 6).

d) 35% to be used for education and continuing education of notaries and notarial applicants and salary and administrative expenses (Education and Administrative Fund). All of these expenses are being advanced by the Society of Notaries Public of British Columbia and accordingly all disbursements from the Education and Administrative Fund are made directly to the Society of Notaries Public of British Columbia.

6. Due to the Society of Notaries Public of British Columbia

The amount due to the Society of Notaries Public of British Columbia is unsecured, non-interest bearing and has no specific terms of repayment. The Society has indicated that it will not request payment of the amount within the next fiscal year. Consequently, the amount has been classified as non-current in the accompanying financial statements.

7. Commitments

The Foundation has entered into a lease commitment for premises. The minimum annual payments for the next two years are as follows:

2006	$	33,524
2007	$	30,730

The Foundation has agreed to pay a grant to the University of Victoria, Faculty of Law, in the amount of $25,000 for the 2006 fiscal year.

8. Statement of Cash Flows

A cash flow statement is not presented since the cash flow information is readily apparent from other financial statements or is adequately disclosed in the notes to the financial statements.

9. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Notary Foundation of British Columbia
Schedule of Education and Administrative Fund Expenses

For the year ended June 30	2005	2004
Education and course development	$ 440,066	$ 444,101
Equipment rental	10,007	12,873
Government relations	7,689	49,018
Insurance	7,303	280
Magazine, net of cost recovery	87,924	87,707
Miscellaneous	13,738	1,880
Office and supplies	15,601	19,443
Practice advisory	2,773	1,301
Professional fees	13,325	11,025
Rent and utilities	32,805	30,001
Telephone and communication	17,398	16,574
Travel, meetings and honouraríums	52,464	44,677
Wages and benefits	147,393	133,739
	$ 848,486	$ 852,619

NOTES

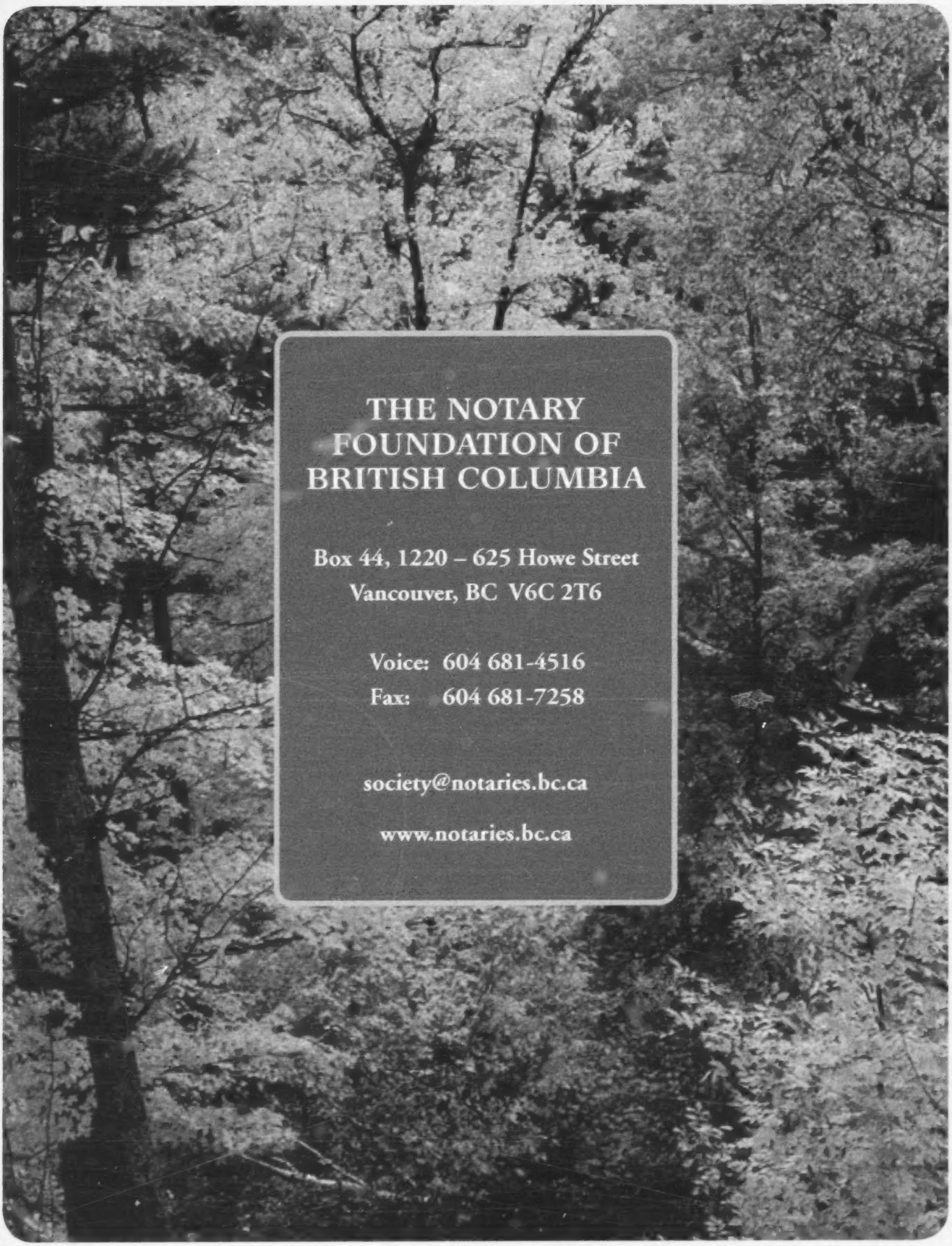
FROM THE *NOTARIES ACT OF BC*

[RSBC 1996] Chapter 334

50 (1) The Notary Foundation is established as a corporation consisting of the members of the board of governors under section-51(1).

(2) The Foundation may acquire, dispose of, and otherwise deal with its property for the purposes of The Foundation.

(3) The Foundation must be operated without purpose of gain for its members and any right or other accretions to The Foundation must be used for the purposes for which The Foundation is established.



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